GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:959
ANSWERED ON:04.12.2015
Global Investment in India
Khadse Smt. Raksha Nikhil

Will the Minister of FINANCE be pleased to state:

a) whether India is a favoured country from Global Investors though may have reduced their exposure to emerging market equities, if so, the details thereof and the reasons therefor; and

b) whether Asia Pacific Investors have increased their allocations to India in June 2015, if so, the details thereof and the outcome thereon?

Answer

Minister of State in the Ministry of Finance (SHRI JAYANT SINHA)

(a) & (b) The Foreign Direct Investment (FDI) data, which is available on the web-site of Department of Industrial Policy and promotion (www.dipp.gov.in -> publications -> FDI Statistics) shows increase of foreign direct investment in India during the recent period. Foreign investment is based on the investment decisions of the investors which may be influenced by financial and other parameters namely; Prevailing financial market conditions, Anticipated future returns out of the proposed investment, Country rating of the concerned jurisdiction, Risk taking ability of the investors, Market infrastructure in the concerned jurisdiction, Regulatory regime prevailing in the concerned jurisdiction, Financial, economic and monetary policy scenarios in its own jurisdiction and competitive markets and personal inclination of foreign investors towards a specific country and other global macroeconomic and geopolitical factors.

FDI data from the top two investing Asia Pacific countries to India are as follows:
Amount in US $ Million
Country 2013-14 2014-15 2015-16 (April 2015 − September 2015
Singapore 5,985 6,742 6,694
Japan 1,718 2,084 815

Increased FDI will accelerate manufacturing, industrial and service sectors outputs.